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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

BUDGET AND ADMINISTRATION COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 9, 2003

1:30 P.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Linda Moulton Patterson, Member

Jose Medina, Member

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Elliot Block, Acting Chief Counsel

Terry Jordan, Deputy Director

Cheryl Williams

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1 PROCEEDINGS

2 COMMITTEE MEMBER MOULTON-PATTERSON: Call the
3 meeting to order, and ask for a roll call.

4 Mr. Washington couldn't be here today. He had
5 another important appointment. And he asked if I would
6 run the meeting.

7 So if you'd call the roll please.

8 SECRETARY HARRIS: Moulton-Patterson?

9 COMMITTEE MEMBER MOULTON-PATTERSON: Here.

10 SECRETARY HARRIS: Medina?

11 COMMITTEE MEMBER MEDINA: Here.

12 SECRETARY HARRIS: Washington?

13 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. So
14 this should be fairly short because we have one item. But
15 we also have a Deputy Director's report.

16 T.J.

17 DEPUTY DIRECTOR JORDAN: Yes, thank you, Madam
18 Chair and Committee member. Terry Jordan with the
19 Administration and Finance.

20 Actually, I don't have anything new to report on
21 the budget, except that, as we all know, the dynamics of
22 the budget discussions continue in the Legislature.
23 They're on the finalization of the Fiscal Year 2003-4
24 budget, currently at a stalemate and with no closure in
25 site.

1 However, on an interesting note, I was reading in
2 the newspaper the other day that the Nevada Governor,
3 Kenny Guinn, filed a lawsuit against the Legislature in
4 Nevada because they had -- he had asked the Supreme Court
5 to intervene in the Legislature's state budget and tax
6 stalemate. Which I thought that was pretty interesting.
7 I haven't seen what the finality's going to be, but we'll
8 keep an eye on it.

9 A couple of things that I'd like to mention about
10 recent distribution of executive orders and budget issues.
11 However, just to let you know, that our Executive Director
12 will be providing you a more detailed report around these
13 issues next week at the Board meeting so that all the
14 members have the benefit of the information.

15 COMMITTEE MEMBER MOULTON-PATTERSON: Yeah, I
16 really appreciate that, Mark. I think that there's a lot
17 of confusion right now throughout the Cal EPA offices
18 and -- so I think a real comprehensive report to all the
19 members on the hiring freeze, all the executive orders
20 that are coming down is certainly in order.

21 DEPUTY DIRECTOR JORDAN: Yes. And just for your
22 information, I was going to explain a couple of the two
23 new executive orders that were distributed on July 1st
24 from the Governor's office. And one of them was in
25 regards to the elimination of vacant positions. And

1 basically it prohibits all state agencies and departments
2 from filling any positions, regardless of the funding
3 source, that were vacant on June 30th, and from spending
4 any associated savings that may be generated from the
5 freeze unless approved by Finance.

6 It was to be effective on July 1st. Finance was
7 to request that the State Controller's office abolish all
8 vacant positions that were subject to that executive
9 order.

10 And with regards to that, anything that occurred
11 after June 30th actually comes under another executive
12 order that was issued at the same time. And that one was
13 with regards to hiring freeze. And basically it was an
14 extension of the previous hiring freeze that began on
15 October 1st -- or October 23rd, 2001. And it's to go
16 through June 30th, 2005. It's two additional years.

17 And, again, it applies to all those vacancies
18 that occur after June 30 -- at this previous June 30th.

19 Just kind of a synopsis for you, just to kind of
20 paint a little picture. The following is an estimated
21 impact of the reductions and the vacancy sweep and what it
22 will have on this -- you know, the impact that it will
23 have on this organization.

24 In 2002-3, which was this previous fiscal year
25 that we just left, Section 31.6 required that we abolish

1 29.5 vacant positions. And that was from a total of 503.5
2 positions that we had. That's --

3 COMMITTEE MEMBER MOULTON-PATTERSON: Just a
4 second, T.J.

5 That was before this latest --

6 DEPUTY DIRECTOR JORDAN: Right, correct.

7 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Could
8 you repeat those numbers for us please.

9 DEPUTY DIRECTOR JORDAN: Sure. Twenty-nine point
10 five vacant positions. And that fell under Section 31.6.
11 That was instituted by the Legislature and confirmed by
12 the Governor.

13 And that was taken from our 503.5 total position
14 authority. So that means we start out the new fiscal
15 year, 2003-4, with 490.5 total positions.

16 Now, from that you're talking about a 10 percent
17 reduction. And you're also take talking about an early
18 implementation of the 10 percent reduction, which is the
19 vacancy sweep. It is not in addition to or separate from.
20 It is part of the 10 percent. We have gotten that
21 clarification.

22 COMMITTEE MEMBER MOULTON-PATTERSON: Say that
23 again. A part of our 10 percent can be the vacant
24 position?

25 DEPUTY DIRECTOR JORDAN: The new vacancy sweep

1 will be part of the 10 percent, not in addition to.

2 COMMITTEE MEMBER MOULTON-PATTERSON: So that's
3 good news?

4 DEPUTY DIRECTOR JORDAN: That's good news.

5 That will result in approximately 20 vacant
6 positions being abolished. That's a total combined
7 estimated reduction for the 2003-4 fiscal year of
8 approximately 51.5 positions. Or if you want to look at
9 it this way, it's about one-fifth of the organization
10 or -- of this organization and is about a 20 percent
11 downsizing.

12 Another interesting fact is that that authority
13 brings us down to approximately 439 positions. Everything
14 hasn't been completely watched out yet, but at this point
15 we're looking at around 439 positions.

16 Six years ago, in Fiscal Year '98-'99, our
17 position authority was 426 positions. So basically it's
18 taken us almost six years back to what our resources were.

19 And obviously in 2003 and 2004, with all the
20 mandates that we have, over six years that we've gotten,
21 and a reduction of that magnitude in our resources, it's
22 going to be difficult to continue, you know, all that work
23 with the one-fifth of our resources gone.

24 Again, mark will provide a lot more information
25 next week.

1 With regards to year-end closing, we're
2 continuing to work, our accounting office and fiscal
3 office are continuing to work on year-end closing. And
4 July 7th is -- as a reminder, July 7th was the final date
5 for all June travel expense claims that were to be turned
6 in.

7 And as far as today's Committee agenda, only one
8 item from the Special Waste Committee is on the agenda,
9 and it's fiscal consent. And that's Item B, or July Board
10 Item 1.

11 And with that, that concludes my report. And if
12 the Chair's ready, we can launch into the item.

13 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Thank
14 you.

15 Any questions at this time?

16 COMMITTEE MEMBER MEDINA: No questions. Just
17 that as we go through deciding which positions are going
18 to be cut and what programs, that's something we should I
19 think get a heads-up before time. We need to look and see
20 which positions are going to be cut and how different
21 programs would be affected.

22 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

23 Okay. Cheryl Williams is presenting.

24 MS. WILLIAMS: Good Afternoon.

25 (Thereupon an overhead presentation was

1 Presented as follows.)

2 MS. WILLIAMS: I'm Cheryl Williams. I'm a grant
3 manager with the Used Oil Household Hazardous Waste Grant
4 Section. I'm presenting Agenda Item Number 2.

5 Do you want the whole presentation, or what would
6 you like?

7 COMMITTEE MEMBER MOULTON-PATTERSON: The
8 abbreviated presentation.

9 MS. WILLIAMS: Abbreviated. We'll do that.

10 COMMITTEE MEMBER MOULTON-PATTERSON: Since it's
11 on fiscal consent.

12 Okay. This is consideration of grant awards for
13 the Used Oil Recycling Block Grant Program for Fiscal Year
14 2003-2004.

15 Used oil block grants are awarded annually and
16 utilized for developing and maintaining convenient oil
17 collection opportunities, publicity, and/or public
18 education to promote used oil recycling and reuse.

19 Local jurisdictions are encouraged to develop
20 cooperative regional programs combining several cities and
21 counties to improve overall grant efficiencies. They're
22 also encouraged to develop partnerships with private,
23 nonprofit, and other governmental organizations to
24 leverage funds and resources.

25 Statute specifies that half the funds remaining

1 in the Used Oil Recycling Fund or greater than 10 million
2 be allocated for block grants. In addition, jurisdictions
3 receive funds from promotional and local assistant line
4 items for used oil filter recycling activities. The line
5 item also supplements the per-capita award to provide the
6 minimum funding of 5,000 for cities and 10,000 for
7 counties.

8 --o0o--

9 MS. WILLIAMS: And there's a little bit of Board
10 history. We've had some changes over the last few years.
11 But I think what I -- I think what you're probably more
12 interested in is the geographic distribution of funds.

13 A statute stipulates that block grant awards be
14 calculated on a per-capita basis for each jurisdiction.
15 For the ninth cycle grants this is calculated to
16 approximately 31 cents per capita. With a per-capita
17 calculation funds are distributed proportionately
18 throughout the state.

19 --o0o--

20 MS. WILLIAMS: Out of the Block Grant 9
21 applications we mailed out to grantees in January,
22 received approximately 232 applications, and it represents
23 92 percent of the state's population.

24 --o0o--

25 MS. WILLIAMS: And we've had a few challenges to

1 funding. Of the applications that we received as of the
2 BAWDS deadline, we had 15 grantees that were originally
3 listed in Attachment 1 submitted complete annual reports.
4 But as of yesterday, that list had been reduced to 3
5 grantees. And you should have a revised Attachment 1.

6 And then an Attachment 2, that was revised as
7 well. And those were originally 4 grantees that did not
8 turn in any annual reports. And that has been recently
9 cleared.

10 And then Attachment 3 are 2 grantees that still
11 owe the Board money.

12 COMMITTEE MEMBER MOULTON-PATTERSON: And that's
13 Attachment 2?

14 MS. WILLIAMS: There's Attachment -- the ones
15 that owe money is actually on Attachment 3.

16 COMMITTEE MEMBER MOULTON-PATTERSON: Well, I can
17 see that when I get home I better go over to city hall. I
18 see Fountain Valley on there.

19 Could you fill me in a little bit, since that's
20 my city?

21 MS. WILLIAMS: Sure.

22 Fountain Valley owes some money. They actually
23 owe about \$30,916. It's basically unspent Block Grant 5
24 funds. And they were formally notified on June 12th. So
25 they still have a little bit of time. And we are

1 anticipating that they'll go ahead and refund the money.

2 And also they did apply for Block Grant 9, so they can get
3 the Block Grant 9 monies.

4 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Well,
5 if you want me to deliver anything, I will be glad to.

6 MS. WILLIAMS: And Escondido, if you notice, is
7 also on the list. And they did not apply for Block Grant
8 9 funds. And they're also -- it's a little complicated as
9 well. They're also in -- a DOF audit is being conducted
10 on them as well.

11 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Thank
12 you.

13 MS. WILLIAMS: And, lastly, in conclusion, staff
14 recommends that the used oil block grants be awarded to
15 the applicants listed in Resolution Number 2003-381, for
16 the amount of \$11,079,748, conditioned on three items:

17 The first one is that they submitted a complete
18 application by June 1st.

19 They have approval of all submitted past-due
20 annual reports.

21 And they return any unspent block grant funds
22 owed to the Board.

23 All three conditions must be complied with within
24 90 days of the resolution approval to receive block grant
25 funding.

1 And that's my conclusion.

2 Any questions?

3 COMMITTEE MEMBER MOULTON-PATTERSON: I have none.

4 And Mr. Medina I guess has set through this
5 presentation before. So would you like --

6 COMMITTEE MEMBER MEDINA: Yes, I was the
7 committee that moved Resolution 2003-381 for fiscal
8 consent.

9 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Shall
10 we take an action with the two of us or -- Okay. You want
11 to move it?

12 COMMITTEE MEMBER MEDINA: Madam Chair, at this
13 time I'd like to move Resolution 2003-381, consideration
14 of the grant awards for the Used Oil Recycling Block Grant
15 Program for Fiscal Year 2003-'04 in the amount of
16 \$11,079,748.

17 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

18 I'll second that.

19 SECRETARY HARRIS: Medina?

20 COMMITTEE MEMBER MEDINA: Aye.

21 SECRETARY HARRIS: Moulton-Patterson?

22 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

23 Okay. So we can pass along that we have heard it
24 and also recommend it for fiscal consent.

25 Okay. That concludes our Budget and Admin

1 Committee meeting, unless there were any public comments.

2 And we'll go right into the agenda.

3 It's my understanding that this will be a one-day
4 Board meeting, is that right?

5 EXECUTIVE DIRECTOR LEARY: I'm pretty optimistic,
6 unless the Sonoma item trails over and takes longer than
7 we expect. But outside of that unlikely occurrence, I
8 think we can probably do it all in one day pretty easily.

9 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. So
10 could you kind of go over with me which ones are on
11 consent and so forth.

12 EXECUTIVE DIRECTOR LEARY: I'd be happy to, Madam
13 Chair.

14 In reviewing the Board agenda, Agenda Item 1, I
15 understand the deliberations have concluded and the Board
16 will report to the public-at-large the result of those
17 deliberations. But that I imagine will be a fairly brief
18 presentation.

19 Agenda Item 2, as we just heard, is proposed for
20 fiscal consent.

21 Agenda Item 3 is a full Board consideration and
22 really the substance of the meeting.

23 Agenda Item 4 was heard in committee and it's a
24 committee-only item.

25 Agenda Item 5 is proposed for consent.

1 Agenda Item 6 is pulled.

2 Agenda Item 7 is proposed for consent.

3 Agenda Items 8, 9, 10, and 11 were
4 committee-only.

5 Agenda items 12, 13, and 14 will be continued
6 until next month.

7 In Sustainability and Market Development, Agenda
8 Item 15 is consent; 16 will involve a full Board
9 presentation and discussion; 17, 18, 19, and 20 are
10 proposed for consent.

11 Agenda Item 21 was heard in Committee and does
12 not need to go forward, so it's committee-only.

13 Agenda Item 22 has been pulled.

14 Agenda Item 23 is a committee-only item.

15 And Agenda Items 24 and 25, although they enjoyed
16 full support -- a 2-0 support at the committee level, it
17 was thought by the committee that the Board ought to hear
18 these items. So they will involve a Board presentation.

19 COMMITTEE MEMBER MOULTON-PATTERSON: What did you
20 say about Number 23?

21 EXECUTIVE DIRECTOR LEARY: Twenty-three is a
22 committee-only item -- was a committee-only item.

23 So in sum and substance, we have a short Board
24 presentation on Agenda Item 1; 2, fiscal consent; 3
25 involving a Board presentation; 16 involving a Board

1 presentation; and then 24 and 25.

2 What I'd like to propose -- well, go ahead.

3 COMMITTEE MEMBER MOULTON-PATTERSON: Oh, I just
4 wanted to say that I spoke with Vice Chair Medina, who's
5 Chair of the Special Waste. And he would like to do the
6 Sonoma item in the afternoon if that is okay with staff.
7 And I think that would be the way to do it so we don't
8 interrupt it.

9 EXECUTIVE DIRECTOR LEARY: Since it's so early in
10 the agenda and I know there's a little bit of a closed
11 session involved with that and a couple other items, it
12 wouldn't make sense to open a meeting and go right into
13 closed session. So I concur wholeheartedly. I think we
14 could probably wrap up the rest of the agenda -- all of
15 the agenda, absent that item, in the morning, including a
16 closed session, and then go right to public testimony and
17 public discussion of Agenda Item 3, the Sonoma item, at,
18 say, 1:30 on Tuesday afternoon.

19 COMMITTEE MEMBER MOULTON-PATTERSON: And you'll
20 let the parties know?

21 EXECUTIVE DIRECTOR LEARY: We will. And in fact
22 we'll notice on our public meeting notice a time certain
23 for Agenda Item 3 at 1:30.

24 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Any
25 questions, Jose?

1 COMMITTEE MEMBER MEDINA: No.
2 Okay. Thank you.
3 (Thereupon the California Integrated Waste
4 Management Board, Budget and Administration
5 Committee meeting adjourned at 1:53 p.m.)
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CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand
Reporter of the State of California, and Registered
Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the
foregoing California Integrated Waste Management Board,
Budget and Administration Committee meeting was reported
in shorthand by me, James F. Peters, a Certified Shorthand
Reporter of the State of California, and thereafter
transcribed into typewriting.

I further certify that I am not of counsel or
attorney for any of the parties to said meeting nor in any
way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand
this 14th day of July, 2003.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
License No. 10063